

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 12, 2009**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 12, 2009, commencing at 7:03 a.m.

Present: Council Member Hitchcock, Council Member Johnson, Mayor Pro Tempore Katzakian, Council Member Mounce, and Mayor Hansen

Absent: None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 General Discussion Regarding California Emergency Management Agency Fire Apparatus Benefits and Related Costs (FD)

City Manager King briefly introduced the subject matter of the California Emergency Management Agency (Cal-EMA) fire apparatus benefits and related costs.

Fire Chief Mike Pretz provided a presentation regarding the Cal-EMA fire apparatus benefits and related costs. Specific topics of discussions included an overview of the Office of Emergency Services program, Statewide mutual aid system, distribution of fire apparatus, County rotation on mutual aid, primary costs being paid by the State, reimbursements for deployments, full payment to date by State, and late payment in light of the State budget.

In response to Council Member Hitchcock, Chief Pretz stated the new truck would be stored at either Stations 2 or 4 or the old Municipal Service Center so long as the space is sheltered.

In response to Council Member Hitchcock, Chief Pretz stated the City has full use of the fire truck when needed as a reserve piece of equipment.

In response to Council Member Hitchcock, Chief Pretz stated the State reimburses the City for staffing at the rate of time and a half and the City also receives a 16% administrative fee.

In response to Mayor Hansen, Chief Pretz confirmed that the fire truck will not have the City of Lodi on it and will instead have the State Cal-EMA designation.

In response to Mayor Hansen, Chief Pretz stated that, while there is an expectation that the City will send out people if it has the truck, there is also an opportunity to opt out if the City is already committed without any financial penalties. Chief Pretz stated the primary difference between the current and future practice will be the State truck being used instead of the City truck.

In response to Council Member Johnson, Chief Pretz stated the City is currently set up on a rotational basis with the County for call outs and there really would not be any change to that process. He stated the decision to actually go out can be made at the time of call out based on brown outs or if any of the three existing teams are already out.

In response to Mayor Hansen, Chief Pretz confirmed that the worst case scenario could be that the State takes the engine back if the City cannot go out and the City remains a part of the State mutual aid program.

In response to Mayor Pro Tempore Katzakian, Chief Pretz stated the City currently gets reimbursed for staffing at time and a half plus the additional 16% and the fire truck based on a certain rate.

In response to Council Member Johnson, Chief Pretz stated the City is expected to participate on a rotational basis and for call outs that exceed a certain time period teams are rotated through on a County basis. Chief Pretz provided a brief overview of the mechanics of the fire truck and the equipment on the same.

In response to Mayor Pro Tempore Katzakian, Deputy City Manager Jordan Ayers stated the reimbursements for the previous year totaled approximately \$135,000.

In response to Mayor Hansen, Chief Pretz stated issues of reimbursement are discussed Statewide among agencies, including through the League Fire Chiefs Department. He stated the State is aware of the problem and has represented that it is working on the matter because participation may be affected by untimely reimbursements.

In response to Council Member Hitchcock, Mr. King stated he believes that the State does use local government for cash flow purposes as seen by the recent stall in capital improvement projects and park bond funds. Mr. King stated 15% reserves is a fair amount for the City to ensure proper cash flow through dry periods.

In response to Council Member Mounce, Chief Pretz stated the delayed reimbursement for the previous year was extraordinary in light of the State budget and on average an initial invoice is received within 60 days with payment being made within an additional 60 days.

In response to Council Member Johnson, Chief Pretz stated there are approximately five engines in the County currently, the engines typically remain with the training agency, and the level of need dictates how quickly and how the City responds.

In response to Council Member Mounce, Chief Pretz stated it is highly unlikely that the State would incorporate terms for reimbursement, including payment prior to the next rotation, into the agreement. Council Member Mounce requested information regarding the number of call outs and costs for reimbursement in the 2004 year.

In response to Council Member Hitchcock, Mr. King stated he asked Central Valley League Representative, Stephen Qualls, to research the matter of timely reimbursement for local government.

In response to Mayor Hansen, Chief Pretz confirmed the City Attorney's office has reviewed the contract and staff will be bringing the matter back to Council for acceptance of the fire truck.

In response to Myrna Wetzel, Chief Pretz confirmed that the fire truck will be available for the City to use as a reserve piece of equipment as needed and it is not likely that more than one truck would be out on a State call out.

B-2 General Presentation - General Fund Revenue Estimates (CM)

City Manager King provided a PowerPoint presentation regarding the fiscal year 2009-10 Draft Budget General Fund Revenue Estimates. Specific topics of discussion included unemployment rates in March, poor job market, sales tax in decline, steep drop in retail sales, business closures, 13-year sales history, businesses hurting, property values declining, little home buying, State woes, Educational Revenue Augmentation Fund (ERAF) shift, fiscal sustainability, average

general fund revenues, general fund reserve history, City policy regarding reserves, general fund by major sources, general fund history, property tax, property tax per capita, property tax distribution, sales and use tax, sales tax per capita, in-lieu franchise for electric (PILOT), in-lieu vehicle license fees, business license tax, transient occupancy tax, cable television franchise, natural gas franchise, and department overview of 2009-10 budget.

In response to Mayor Hansen, Mr. King stated the uniqueness of the current recession is how quickly things started to fall and, while the numbers may be getting better, it will take time due to the steep decline over a short period of time.

In response to Council Member Hitchcock, Mr. King stated unemployment rates could continue to go up and unemployment would likely be the last item to rebound from the current recession.

In response to Mayor Hansen, Mr. King stated the numbers reflecting the decline in property tax are based on the ERAF shift and Michael Coleman's calculated numbers for the State and cities throughout the State as the expert in the field.

In response to Council Member Mounce, Mr. King stated if the May 19 propositions fail it is likely that the State will be looking to take approximately \$2 billion from local government and the City's share would be approximately \$700,000.

In response to Mayor Hansen, Mr. King stated that, based on the charts, the last time the housing market was so negatively affected was in the 1982-1983 years.

Council Member Hitchcock requested information regarding average general fund revenues for other cities.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:16 a.m.

ATTEST:

Randi Johl
City Clerk